

VILLAGE OF KEY BISCAYNE
88 WEST MCINTYRE STREET
KEY BISCAYNE, FL 33149

ZONING ORDINANCE REVIEW COMMITTEE

THURSDAY, APRIL 23, 2009 8:30 A.M.

BUILDING, ZONING, AND PLANNING DEPARTMENT
CONFERENCE ROOM, 2ND FLOOR ROOM 250

AGENDA

1. Attendance
2. Approval of Minutes: April 16, 2009
3. Review of Zoning Ordinance
 - a. Main Permitted Uses in the HR Hotel Resort Zoning District
 - b. Floor Area Ratio and Density
 - c. Parking
4. Public comment
5. Next Meeting Date:
 - a. Agenda Items Recommended by Committee
6. Adjournment

Minutes: April 16, 2009

1. The meeting was called to order at 8:35 a.m.
2. Attendance was recorded by Staff.
3. The minutes of the February 19, 2009 meeting were approved.
4. The Committee discussed the following: The Chair reported on the April 14 Council meeting at which the Chair responded to the Council's request for a status report concerning ZORC's use recommendations within the HR District. In view of the to-be-scheduled second reading of the proposed ordinance prescribing Hotel use only within the HR District, the Council requested the ZORC to provide a recommendation regarding what uses should be permitted in the HR District prior to the Council's public hearing.

5. There was a panel discussion with Emile Chehab (SEC Consultants), Derek Flint (Key Biscayne Ritz Carlton Hotel), and Stephen Owens (Swire Properties - The Mandarin Oriental at Brickell Key). There was extensive discussion about hotel developments and operations generally, and about the Sonesta site, focusing on an optimal hotel size for the Sonesta site, and about density, assuming the current allowances for apartments at 16 units per acre, hotels at 30 units per acre and the maximum Floor Area Ratio of 2 which permits nearly 900,000 sq. ft. of floor area at the Sonesta site. In summary, the panelists provided the following information:
 - a. There is no market for condominium hotels in the foreseeable future, and most likely ever. This is due to the generally negative market experience concerning condo hotels as an investment, and the fact that they are out of favor with lenders, investors and buyers, and how they are regulated by the Securities and Exchange Commission.
 - b. There may be a market for a Boutique Hotel with limited public space and select and limited amenities, featuring 100-150 hotel rooms (keys) at 420-450 sq. ft.
 - c. Mr. Chehab mentioned fractional ownership as a marketing and finance alternative. He emphasized that a fractional plan is higher-end than a traditional timeshare. The units in a fractional product would be more like second homes, with units around 1200-1500 sq. ft. with full kitchens to accommodate long term stays by guests. A fractional plan would function like a hotel, with front desk and concierge services and resort amenities.
 - d. A hotel only use is not feasible now and into the foreseeable future. This is because of land value and profit expectations based on that value. Value was not estimated, but was perceived approximately to correspond to the Fortune purchase price.
 - e. Under current market conditions, it is possible the Sonesta site may remain in its current condition for another several years perhaps as long as 3 more years due to the difficulty of obtaining financing for new projects, hotel or condominium.
 - f. Under the current code, density is measured by unit count per acre and floor area ratio is at cross purposes. The most likely number of hotel rooms (keys) is between 250 to 350 and maybe as high as 400 depending on market conditions. Under the current zoning, the maximum number of hotel rooms (keys) is 300. Considering square footage for common areas, a good measure to determine the total number of square feet for hotel (excluding parking) is 1,000 sq. ft. per unit. At 300 units, that means the total number of square feet

in the building is 300,000. As a FAR of 2 would permit approximately 900,000 sq ft. the remaining 600,000 sq. could not be assigned to another use.

Because a 300-unit hotel would require the entire 10 acre site to be used in the density calculation, there would be no more density to apply to an apartment building resulting in the inability to use the remaining 600,000 sq. ft.

- g. Average hotel unit size is approximately 420 to 475 sq. ft., with no kitchens. Some units might be permitted to have kitchens to accommodate guests who have extended stays (e.g. fractional owners) and these units would have an approximate average size of 1200 to 1500 sq. ft. Hotel parking would be about 1 space per unit; possibly less if valet parking is utilized effectively.
 - h. A hotel operator wants guests to remain on the property and to utilize the other accessory commercial uses in order to maximize revenue. The panelists were unanimous in thinking that a second hotel would be minimal support to our local merchants. They expect the local population will support the hotel accessory uses much more than hotel guests will support local merchants.
 - i. Due to the Coastal Construction Line (CCL), only about 1/2 of the Silver Sands site can accommodate a building. If you consider setbacks, then this site is very difficult. For development purposes, it would be better if the Silver Sands site and the Sonesta site were part of a unified development, as this would result in a better designed project.
 - j. Steve Owens suggested that the Sonesta project should include taller and thinner buildings, rather than shorter and squatter buildings, which, due to height limits, density and FAR, are encouraged by the current Zoning Ordinance. He thinks greater height is a good trade off as it would result in greater separation between buildings and less squat bulk. He thinks the 150 ft. height limit should be increased to accommodate this.
 - k. Mr. Owens also suggested that as the project moves westward to Holiday Colony, it should step down in order to achieve a more compatible relationship with the single-family homes. He suggested that construction materials and design should be internally consistent; that some unified design would help the overall appearance.
6. Councilman Davey, in attendance, questioned the panelists about hotel only. The level of revenue that can come from a 350-400 room hotel effectively forestalls a hotel only use, because of the investment in the land and resulting revenue needs.

7. Lauren Battle and Mary Tague questioned the panelists' negativity about a hotel being a driver of business for local merchants.
8. The meeting adjourned at 10:28 am.

Respectfully Submitted:
Jud Kurlancheek, AICP
Building, Zoning, and Planning Director